

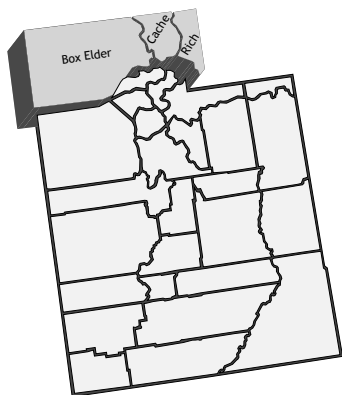
Workforce News



A quarterly publication of the Department of Workforce Services: issued June 2010

Bear River: Box Elder, Cache, Rich

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Manufacturing in Bear River —a Look at the Turbulent First Decade

No matter where you are standing in the Bear River area, manufacturing is a key industry. In Utah and the nation, manufacturing has accounted for about 10 percent of total jobs for some time. In

Box Elder County, multiply that percentage by four. In mid-decade, about 40 percent of all jobs in the county were on manufacturing payrolls. Over the hill to the east

(continued)

Inside:

- › **Box Elder:** Manufacturing taking a big hit in jobs; unemployment creeping up.
- › **Cache:** Joblessness holding at 5.0 percent with job losses low.
- › **Rich:** Construction sheds positions with unemployment up nearly a full point.

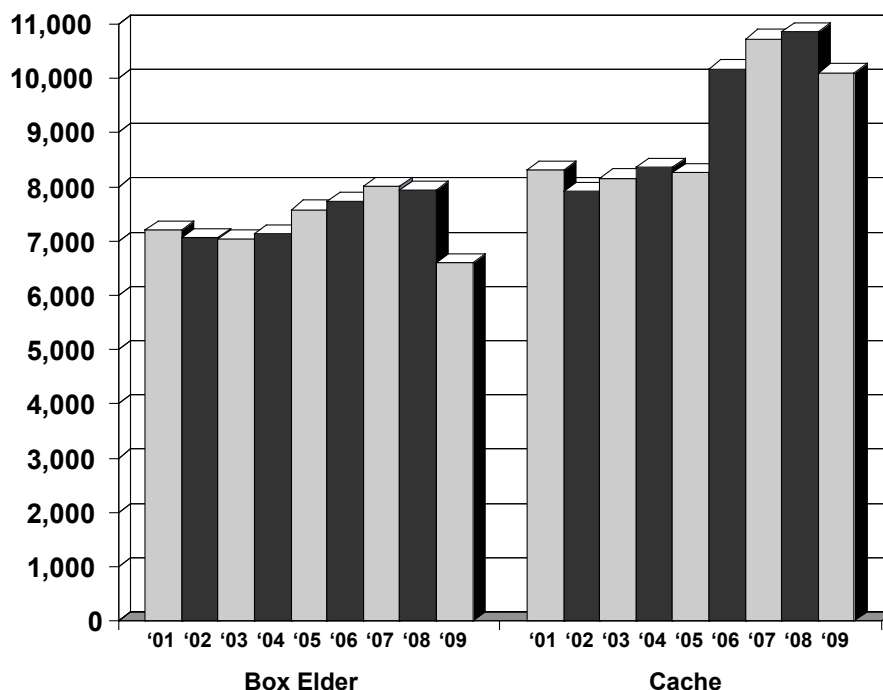


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Bear River Area Manufacturing Jobs 2001-2009

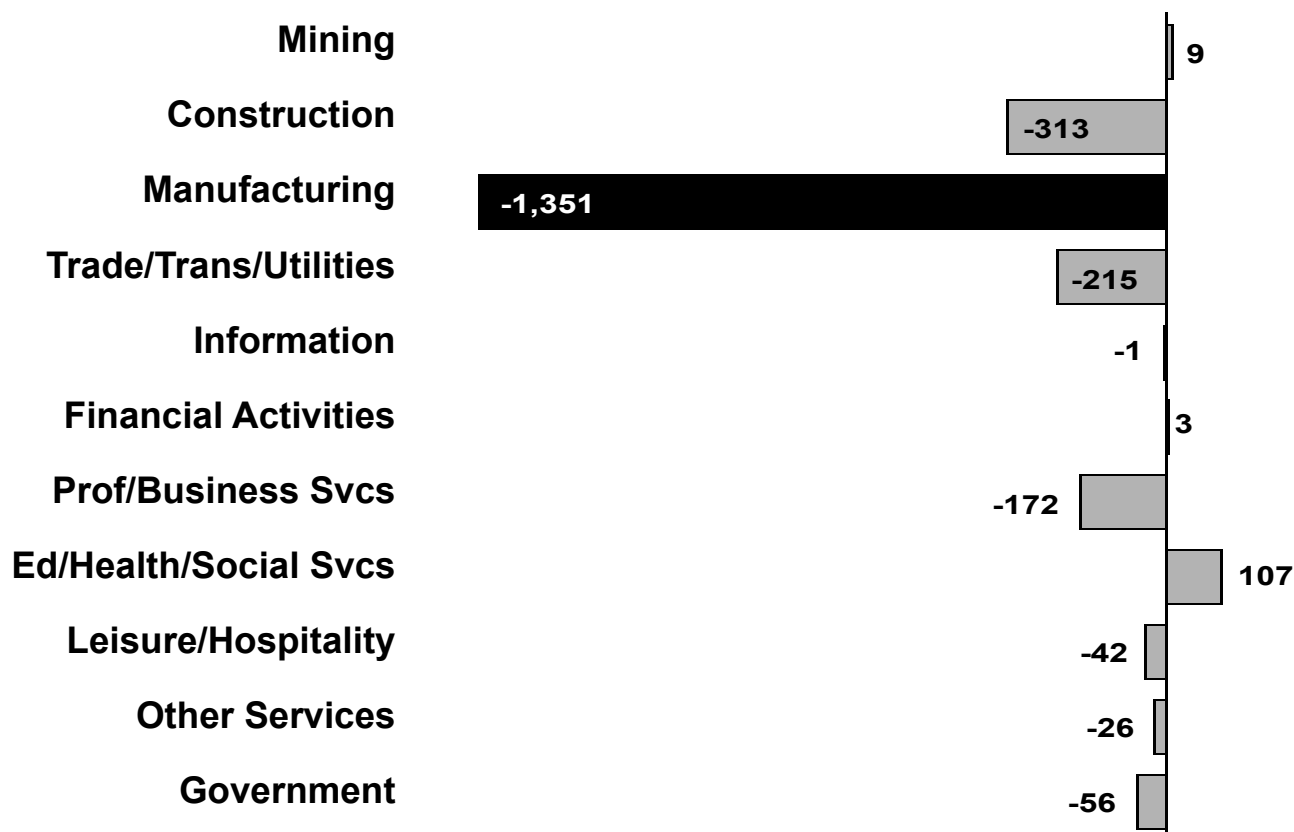


Source: Utah Department of Workforce Services, Workforce Research & Analysis, April, 2010.

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Manufacturing in Bear River (continued)

Numeric Change in Nonfarm Jobs by Industry Box Elder County 2008-2009



Source: Utah Department of Workforce Services.

in Cache County that number is half of Box Elder's.

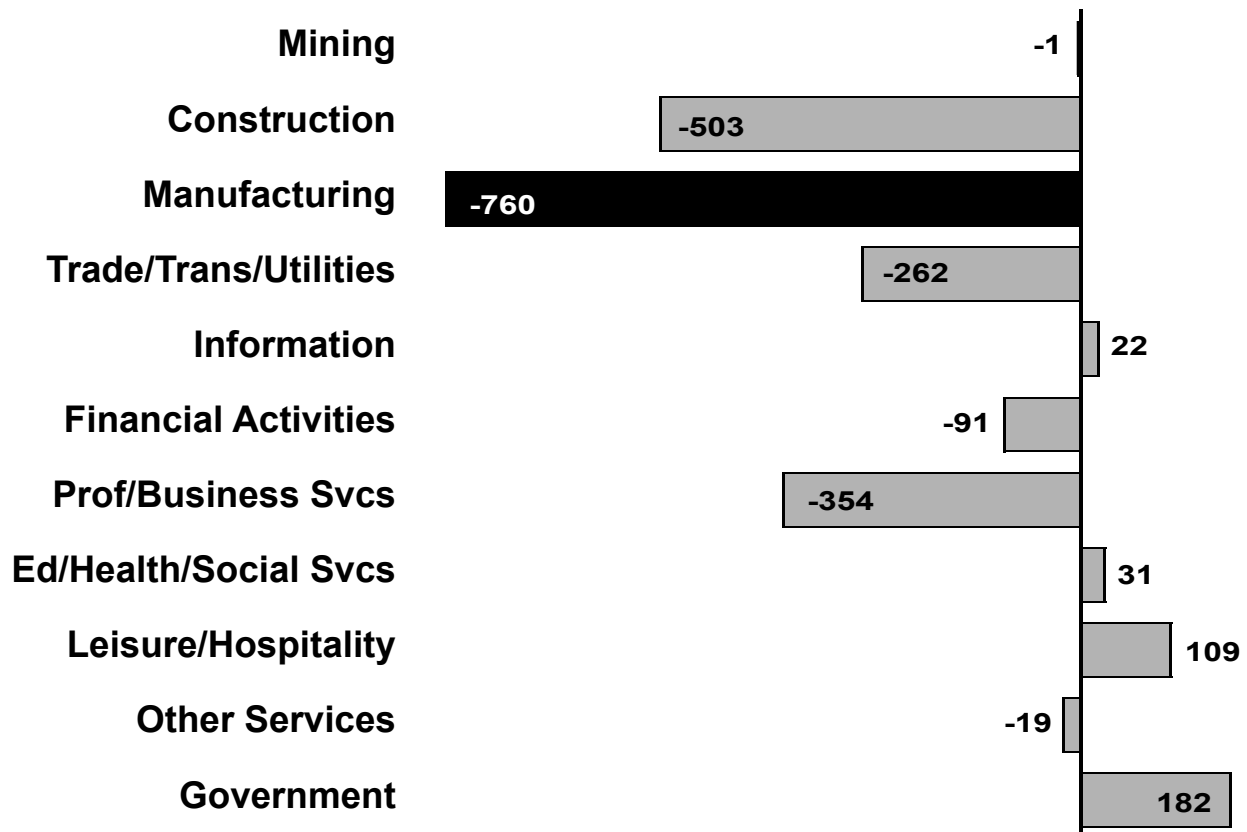
Two recessions have impacted the industry during the last decade. As the Dot-com crash and 911 terrorist attacks took their toll in 2000-2002, manufacturing employment slid in the two northern Utah counties. By mid-decade the industry was pulling out of the

doldrums, experiencing growth in demand. Box Elder's manufacturing employment grew from a low of 7,000 in 2002 to 8,000 in 2007. Cache also grew, but then growth came to a halt with the national recession, which started at the end of 2007.

As spending stopped and the credit markets collapsed, manufac-

turing companies saw product demand drop. Activity slowed then slipped backward in both counties' manufacturing sectors. Job losses from the recession are widespread across almost all industries, but especially hard-hit were construction and manufacturing. Much of the bleeding in construction has

(continued)

Manufacturing in Bear River (continued)**Numeric Change in Nonfarm Jobs by Industry
Cache County 2008-2009**

Source: Utah Department of Workforce Services.

A Note About the National Manufacturing Industry

Nationally, the manufacturing industry is very important and is growing in terms of output, but not in terms of employment (jobs). Manufacturing is a capital-intensive industry, meaning that highly efficient technology and machines produce growing levels of output. When this type of machine/technology concentration is active, the need for labor diminishes. Jobs in manufacturing in the U.S. peaked in 1979 with 19,426,000 workers. That has declined to the 2009 recession low figure of 11,883,000—a drop of 39 percent. In 1960 manufacturing accounted for 28.4 percent of all jobs. In 2009 that slice of the pie had shrunk to 9.1 percent. Between 2008 and 2009 alone, over 1.5 million manufacturing jobs were lost across the country. As the recession turns in to recovery, perhaps some of those lost jobs will be regained.

Manufacturing in Bear River (continued)

already occurred. In the last year (between 2008 and 2009), manufacturing employment declined by 17.0 percent in Box Elder and by 7.0 percent in Cache. Box Elder lost 1,350 manufacturing jobs and Cache lost 760 (see graphs).

Box Elder took a heavier hit in manufacturing than Cache, in part due to the nature of manufacturing in Box Elder. Manufacturing is classified into two broad groups. First are those products that are considered “durable.” These are goods that have a life of longer than three years. The other group is nondurable manufacturing, goods that last less than three years. Durable goods manufacturing is an export-based industry, meaning the demand/customers are widespread and products are sold in local, regional, national or even international markets. These same markets are highly susceptible to economic shocks in the business cycle, like recessions. Box Elder’s manufacturing base is about 85 percent durable goods. In particular, one of the industries

most heavily hit by the recession is the transportation equipment-manufacturing sector. Layoffs continue in this industry. Cache County has a high proportion (57 percent of total manufacturing) of nondurable goods manufacturers, namely food-processing operations. This activity is sensitive to economic swings but not to the extent that durable goods are. We need to eat, and that’s a basic requirement regardless of the status of the economy. That’s a big reason Cache County’s economy has not been as heavily impacted by the recession as Bear River’s.

The manufacturing industry sector is, and will continue to be, a very important part of the economies of northern Utah counties. The recession and subsequent recovery will change the face of manufacturing here. In addition to the affects of the recession, national funding priorities, particularly in the transportation equipment manufacturing space industry, will have a future impact. **WFN**

For more info:

You can get occupational wage rates for individual occupations and wage tables showing all the survey occupations at:

<http://jobs.utah.gov/jsp/wi/utalmis/gotoOccwage.do>

What's Up?

“The **Proctor and Gamble** distribution center—with 400,000 square feet—is up and running with 120 employees. Another 70 will be added in the next few weeks. The manufacturing center, which will produce Charmin toilet tissue and Bounty paper towel products, will be completed later this year. The two centers, which are situated together on 750 acres across from pastureland, are a combined \$300 million-plus project that will employ at least 300 people.”

-Salt Lake Tribune

“**Cache County** officials are in the early stages of considering a proposal to build a small ski area. Developer John Chadwick has submitted a conditional-use application to the county planning commission, seeking to create Rainey Ranch in Cherry Creek Canyon northeast of Richmond. The envisioned resort would cover about 160 acres of privately owned land zoned for “forest recreation.” It would serve up to 2,000 skiers daily and at night, and would have a 10,000-square-foot lodge, snowmaking, a parking lot that holds up to 400 vehicles, four ski lifts, a tubing hill and a septic system to handle wastewater.”

-Salt Lake Tribune

County News

Box Elder County News

Box Elder County's unemployment rate was reported at 7.4 percent for March. The County shed nearly 11 percent of its jobs between December of 2008 and December of 2009. The majority of the loss was in manufacturing (-1,450) and construction (-290). Manufacturing employment shrunk by 18.9 percent in the year-over comparison. Much of the decline was in durable goods manufacturing in the transportation equipment industry. Retail trade and transportation also lost about 320 jobs. Other industries also reduced payrolls as the recession tightened the economy. Spending by consumers was off, but by just 1.9 percent in the fourth quarter, compared to a year before. When spending goes down, so does employment in retail trade. Residential building activity was down from last year, but commercial and industrial building permitting jumped as that activity increased in the first couple of months of 2010. Overall, the county is struggling with a continued loss of jobs in the manufacturing sector, and that is likely to continue through this year.

Cache County News

Unemployment hovered at 5.0 percent in March. In the fourth quarter the local economy shed jobs compared to a year before, but the rate of loss was slowing. In December there were 550 fewer jobs than last year—a decline of -1.1 percent. Most loss was in construction where 410 fewer workers were on payrolls. Manufacturing lost about 100 jobs out of 10,400. Almost all other sectors lost varying amounts of employment including retail trade (-130) and state government (-160). Even healthcare lost some jobs, but not many. Local government was one of the few gainers, adding 210 new positions. Cache County was only one of five counties in Utah with positive sales in the fourth quarter. Compared to a year before,

that's an increase of 9.5 percent. For January and February of 2010, building activity for the county was down by -7.7 percent in terms of total permitted valuation. Housing permit levels were about the same as they were last year. For the whole year of 2009 construction valuation was down 12.6 percent. The economy in the county is definitely feeling the affects of the national recession, but is faring fairly well with declining job losses and consumer spending improving.

Rich County News

Through the fourth quarter of 2009 the county lost jobs. The rate of loss actually quickened from October's -5.7 percent to December's -12.8 percent year-over loss. Total nonfarm employment dropped from about 680 to 590. A third of the 90-job loss was in construction, with another 50 positions falling off payrolls in the hospitality industry. March 2010 unemployment was 5.5 percent, up from 4.7 percent the year before. Gross taxable sales, a good indicator of economic activity, actually fell by 18.3 percent from the fourth quarter of 2008. Construction activity for 2009 as a whole was down by -28.3 percent in total valuation of permitted construction, but the number of new dwelling units was up by 33 percent to a level of 57 (2009). The county's economy is sluggish with the recession and the off season. **WFN**

For more info:

For more employment information about your county go to:

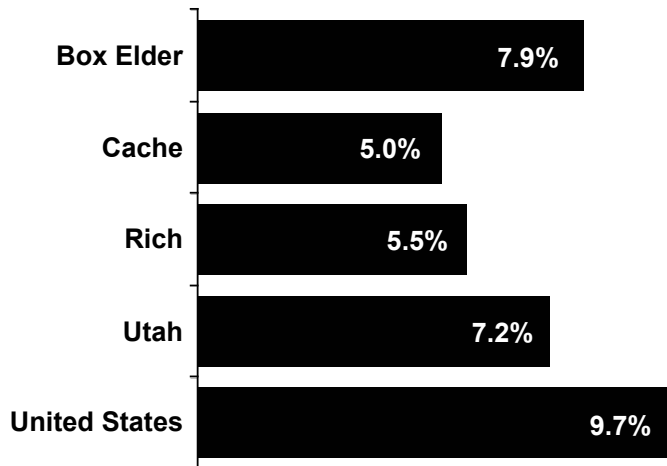
<http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>

and select your county, then go to Labor Market Indicators in the right-hand margin.

Bear River: Box Elder, Cache, Rich

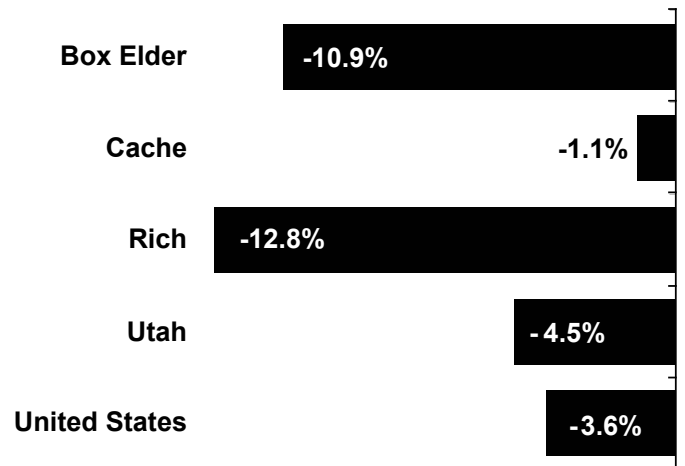
jobs.utah.gov

**Seasonally Adjusted Unemployment Rates
March 2010**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs
December 2008 to December 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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